GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1872
ANSWERED ON:26.07.2002
ONE TIME SETTLEMENT SCHEME
P.C. THOMAS

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have announced special one time settlement. scheme for small and marginal farmers to cover NPA upto 50,000 in budget 2002-2003;

(b) if so, the salient features of the scheme; and

(c) the time by when it is likely to be implemented?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a), (b) & (c): Yes, Sir. Reserve Bank of India (RBI) has advised all the public sector banks to formulate policy, with the approval of their Boards, for recovery of these loans vide their circular dated 2200 March, 2002. The salient features of the scheme are as follows:

- The scheme will cover all loan accounts with outstanding balance of up to Rs.50,OOOj - principal amount (excluding any interest element) to small and ..marginal farmers, which have become Non-Performing Asset as on March 31, 1998`

)- The scheme will also cover suit-filed and decreed debts. After the settlement is reached, the banks may take appropriate steps for closure of cases in respective courts;
)- The scheme will not, however, cover cases of fraud, malfeasance and willful defaults;
)- The scheme will be operative upto December 31, 2002.